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SUBJECT: PILOT PROJECT TACKLES CORRUPTION AT GRASSROOTS LEVEL

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Summary and Comment

¶1. (SBU) Provincial Counter-Corruption Commissions in Lamphun and Sukhothai, launched a year ago as part of a pilot project that includes six other provinces, have had modest success in raising grassroots awareness to counter local government corruption. The project will ultimately be replicated nationwide, as stipulated in the 2007 Constitution, though implementing legislation must first be passed. To date the pilot provincial commissions have taken a "soft" approach by promoting community awareness rather than going after corrupt officials. With Thailand currently ranked middle-of-the-pack in Transparency International's global corruption index, the country has much to gain if it can build and sustain a grassroots-level anti-corruption network to complement national-level efforts. End Summary and Comment.

Targeting Local-Level Corruption

¶2. (U) CG traveled to the Upper North's Lamphun Province October 10 to meet with the provincial office of the National Counter-Corruption Commission (NCCC). This office is one of eight provincial-level offices created a year ago as a pilot project of the NCCC. The NCCC itself was established as an independent agency under the 1997 Constitution, and began operations in 1999. The NCCC has nine Commissioners, one of whom - Pakdee Pothisiri - happened to be in Lamphun on the day CG visited.

¶3. (U) Pakdee pointed out that in Transparency International's 2008 Corruption Perceptions Index, Thailand had placed 80th out of 180 countries rated (tied with Brazil, Saudi Arabia and Morocco; behind 47th-place Malaysia and 72nd-place China; and comfortably ahead of all other mainland Southeast Asian countries, with Vietnam being closest in 121st place). He said the NCCC has set a goal of raising Thailand's current CPI score of 3.5 up to 5.0 by 2012, which would put Thailand roughly on par with Malaysia.

¶4. (SBU) On this background, Pakdee explained, the genesis of the pilot project came from a sense that the NCCC needed to address not only investigating and exposing existing corruption, but also preventing new corruption. The NCCC Commissioners believed prevention could best be achieved by mobilizing civil society at the grassroots level against corrupt practices. Moreover, corruption in Thailand was widespread at the local level among municipal, district, sub-district and provincial officials. Pakdee reported that, of the over 10,000 cases in the NCCC's docket in 2006, more than half were from the local government level. He attributed much of this to the diffusion of procurement authority among many officials, all with little oversight.

15. (U) Thus the NCCC launched its pilot project as an attempt to address local-level corruption at the grassroots level. It opened eight Provincial Counter-Corruption Commissions (PCCC) in September 2007, two each in the North (Lamphun and Sukhothai), Northeast (Nong Khai and Surin), Central (Chanthaburi and Phetburi) and South (Surat Thani and Songkhla) regions. The PCCCs were tasked with tackling corruption at the local level by encouraging the participation of all sectors, government as well as civil society, in corruption monitoring and prevention.

Staffing and Budget

16. (U) Given the provisional nature of the pilot program, the PCCCs do not have their own office but rather share space with the provincial administration office. The NCCC headquarters provides each provincial office with a modest annual budget of 600,000 baht (USD 18,000), and support staff who are direct-hire personnel seconded from NCCC Bangkok. Each PCCC has five to seven Commissioners, based on one of two models. In the case of Sukhothai, the Commissioners are a mix of provincial government personnel and local civil society leaders, chaired by the Provincial Governor. In the case of Lamphun, all Commissioners are business and civil society representatives, though several are retired provincial civil servants or police.

Looking for Soft Targets

17. (U) During their first year of operation, PCCC activities in Lamphun and Sukhothai focused on educational campaigns to promote greater understanding of the societal costs of

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corruption and to build greater community participation in monitoring and preventing corruption. Specific projects included:

- educating the public about the work of the PCCC;
- training prospective counter-corruption counterparts;
- promoting transparency and good governance in local government units;
- educating local administrators and politicians about asset declaration requirements; and
- naming "most outstanding" local government entities based on community opinion.

18. (SBU) One PCCC official admitted to us that, at least for year one, it was more practical to focus on promoting community awareness rather than going after corrupt officials, which would create enemies for the PCCC from the start. This "soft" approach does appear to have borne modest fruit, however. Earlier this year the Sukhothai office received an award from the NCCC for its campaign to promote community participation in counter-corruption efforts, which resulted in numerous whistle-blowing reports over irregularities in procurements and construction contracts made by the Provincial Administrative Organization (PAO). PCCC officials in Lamphun linked their anti-corruption awareness campaign with the results of local elections earlier this year in which the public exerted "social sanction" by voting out of office sub-district and municipal politicians involved in fraudulent payments for "guaranteed" longan fruit exports to China. Similarly, Lamphun voters ousted the veteran PAO President who faced charges of budget irregularities.

New Constitution Enshrines Pilot Project

19. (U) The pilot project will ultimately applied nationwide, the NCCC's Pakdee told us, because Thailand's new Constitution

adopted in 2007 calls for establishing a PCCC in every province in the country. Parliament first needs to pass an implementing law, for which there is no timeline yet. Until that law is passed, the eight pilot PCCCs will continue to depend on the national headquarters for their budget, support staff, and certain decision-making authorities. Other operational challenges for PCCCs include:

- overcoming the public's preconception that the PCCC's task is to investigate and exposing existing corruption, not prevent new corruption;

- maintaining credibility in the eyes of the public by keeping pace with the rising number of corruption complaints filed as the awareness campaign takes hold; and

- convincing the public that combating corruption is not just the responsibility of the PCCC, but requires active participation by all sectors civil society.

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